Office of the Assistant Secretary of the Navy
(Financial Management and Comptroller)

Department of the Navy

Financial Improvement Plan (DON FIP)

Command Level Statements

4 November 2004

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Agenda

* DON Financial Statements
  - What's really in the DON Financial Statements?
  - How do Commands participate in the Financial Statement compilation process?
  - What do the Financial Statement numbers mean?
* Command Level Statements
  - What do Command Level Statements mean?
  - What is the relationship between Command Level Statements and the DON FIP?

DON Financial Statement: What is this thing?

* Single presentation of the two reporting entities:
  - Department of the Navy, General Fund
  - Navy Working Capital Fund
* Includes comprehensive financial management reporting:

✓Opening Messages

✓Management's Discussion and Analysis

✓Principal Statements

✓Notes to the Principal Statements

✓Supporting Consolidating/Combining Statements

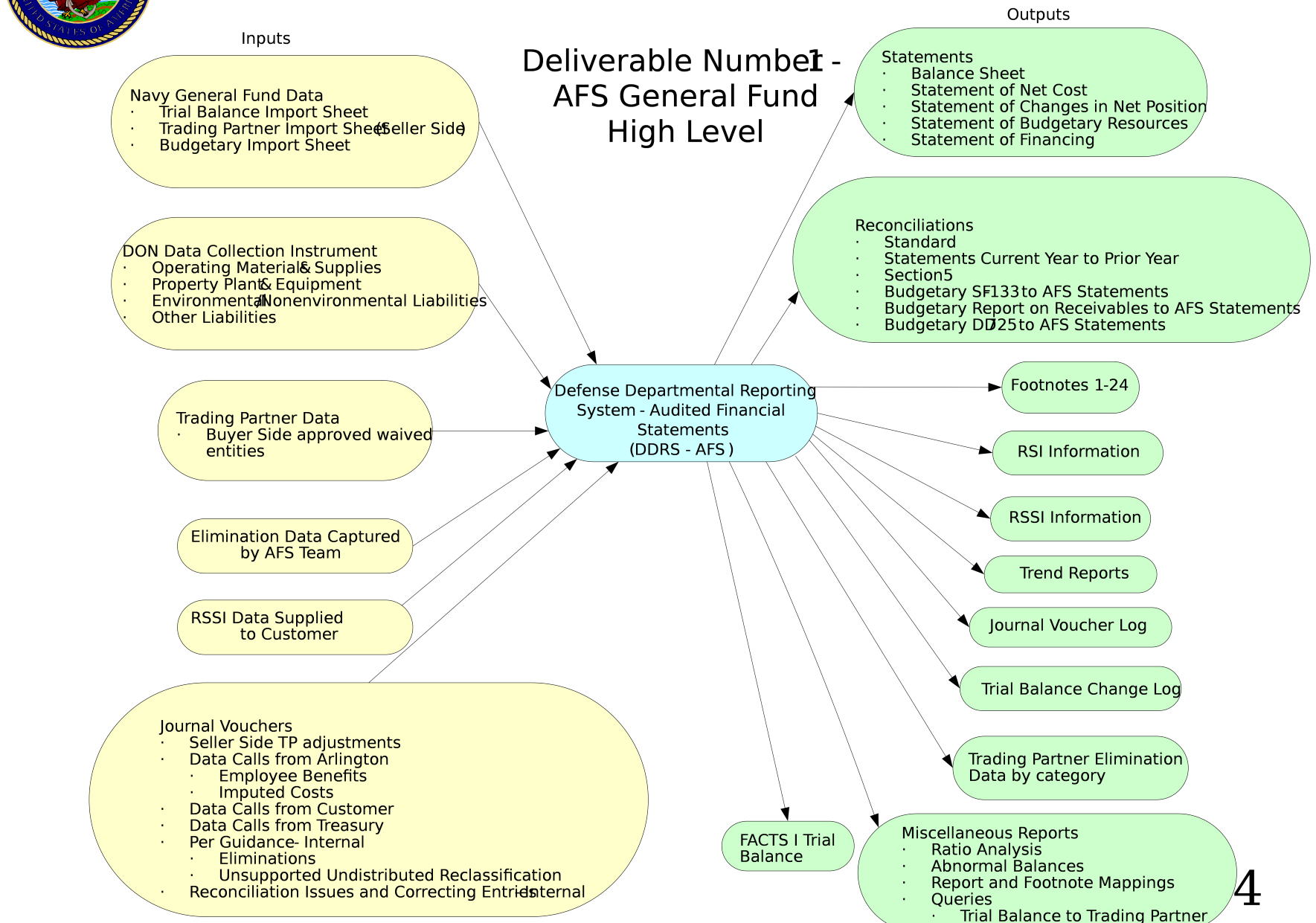
✓Required Supplementary Stewardship Information

✓Required Supplementary Information

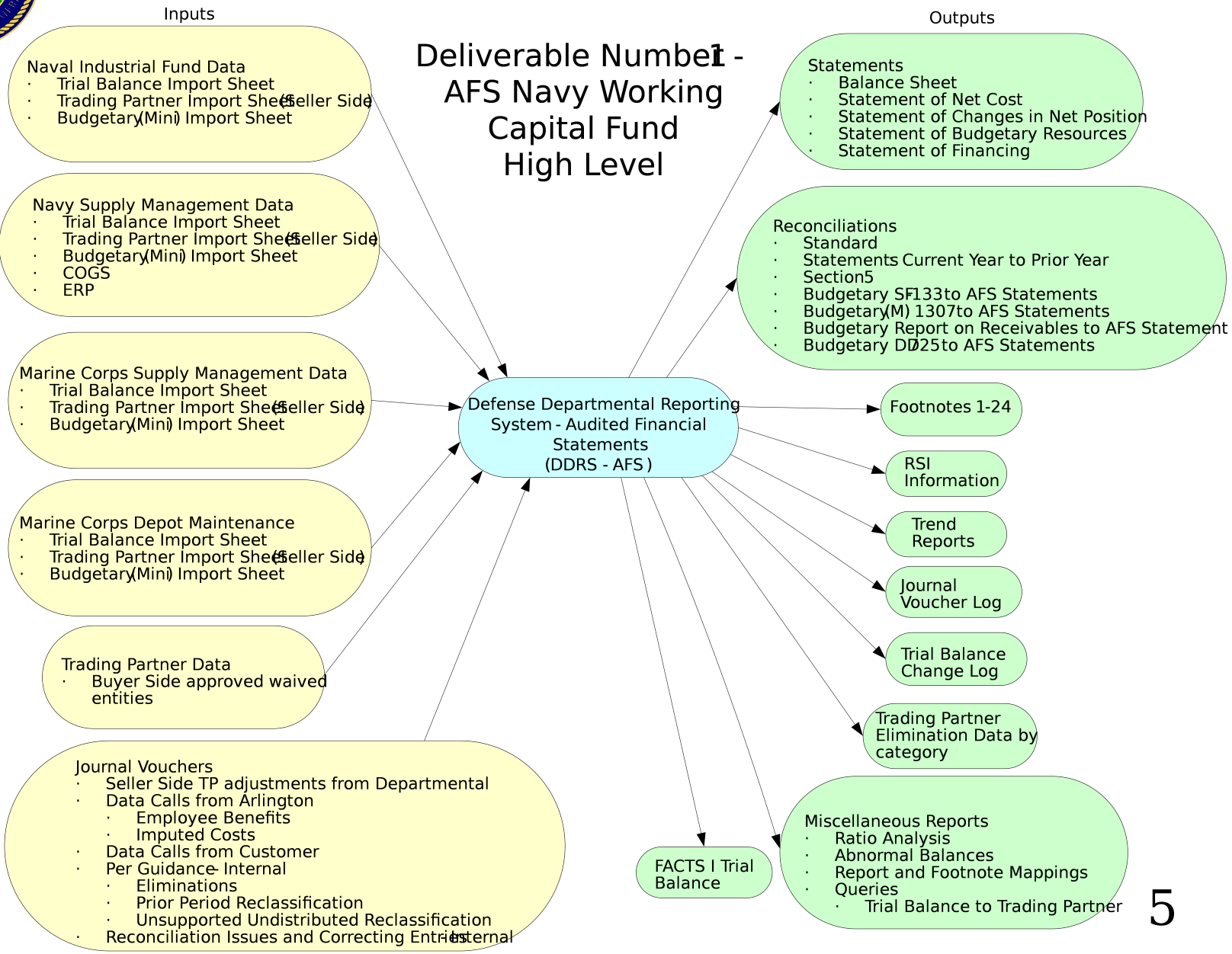
✓Other Accompanying Information

✓Audit Opinions

DON AFS Inputs and Outputs- GF


Inputs
Navy General Fund Data
· Trial Balance Import Sheet
· Trading Partner Import Sheet (Seller Side)
· Budgetary Import Sheet
DON Data Collection Instrument
· Operating Materials & Supplies
· Property Plant & Equipment
· Environmental & Nonenvironmental Liabilities
· Other Liabilities
Trading Partner Data
· Buyer Side approved waived entities
Elimination Data Captured by AFS Team
RSSI Data Supplied to Customer
Journal Vouchers
· Seller Side TP adjustments
· Data Calls from Arlington
· Employee Benefits
· Imputed Costs
· Data Calls from Customer
· Data Calls from Treasury
· Per Guidance- Internal
· Eliminations
· Unsupported Undistributed Reclassification
· Reconciliation Issues and Correcting Entries- Internal
Deliverable Number 1 - AFS General Fund High Level
Defense Departmental Reporting System - Audited Financial Statements (DDRS - AFS)
Outputs
Statements
· Balance Sheet
· Statement of Net Cost
· Statement of Changes in Net Position
· Statement of Budgetary Resources
· Statement of Financing
Reconciliations
· Standard
· Statements Current Year to Prior Year
· Section 5
· Budgetary SF133 to AFS Statements
· Budgetary Report on Receivables to AFS Statements
· Budgetary DD 1025 to AFS Statements
Footnotes 1-24
RSI Information
RSSI Information
Trend Reports
Journal Voucher Log
Trial Balance Change Log
Trading Partner Elimination Data by category
FACTS I Trial Balance
Miscellaneous Reports
· Ratio Analysis
· Abnormal Balances
· Report and Footnote Mappings
· Queries
· Trial Balance to Trading Partner

DON AFS Inputs and Outputs- WCF


Inputs
Naval Industrial Fund Data
· Trial Balance Import Sheet
· Trading Partner Import Sheet (Seller Side)
· Budgetary (Mini) Import Sheet
Navy Supply Management Data
· Trial Balance Import Sheet
· Trading Partner Import Sheet (Seller Side)
· Budgetary (Mini) Import Sheet
· COGS
· ERP
Marine Corps Supply Management Data
· Trial Balance Import Sheet
· Trading Partner Import Sheet (Seller Side)
· Budgetary (Mini) Import Sheet
Marine Corps Depot Maintenance
· Trial Balance Import Sheet
· Trading Partner Import Sheet (Seller Side)
· Budgetary (Mini) Import Sheet
Trading Partner Data
· Buyer Side approved waived entities
Journal Vouchers
· Seller Side TP adjustments from Departmental
· Data Calls from Arlington
· Employee Benefits
· Imputed Costs
· Data Calls from Customer
· Per Guidance - Internal
· Eliminations
· Prior Period Reclassification
· Unsupported Undistributed Reclassification
· Reconciliation Issues and Correcting Entries - Internal
Deliverable Number 1 - AFS Navy Working Capital Fund High Level
Defense Departmental Reporting System - Audited Financial Statements (DDRS - AFS)
Outputs
Statements
· Balance Sheet
· Statement of Net Cost
· Statement of Changes in Net Position
· Statement of Budgetary Resources
· Statement of Financing
Reconciliations
· Standard
· Statements - Current Year to Prior Year
· Section 5
· Budgetary SF 133 to AFS Statements
· Budgetary (M) 1307 to AFS Statements
· Budgetary Report on Receivables to AFS Statement
· Budgetary DD 225 to AFS Statements
Footnotes 1-24
RSI Information
Trend Reports
Journal Voucher Log
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FACTS I Trial Balance

What do the numbers mean?

* The DON Financial Statement numbers are representations of financial outcomes associated with the business events that occur in the day-to-day operations of all levels of the Navy.
* The DON Financial Statement numbers are only as good as the people, systems, processes, and controls that produce them and the documentation that supports them.

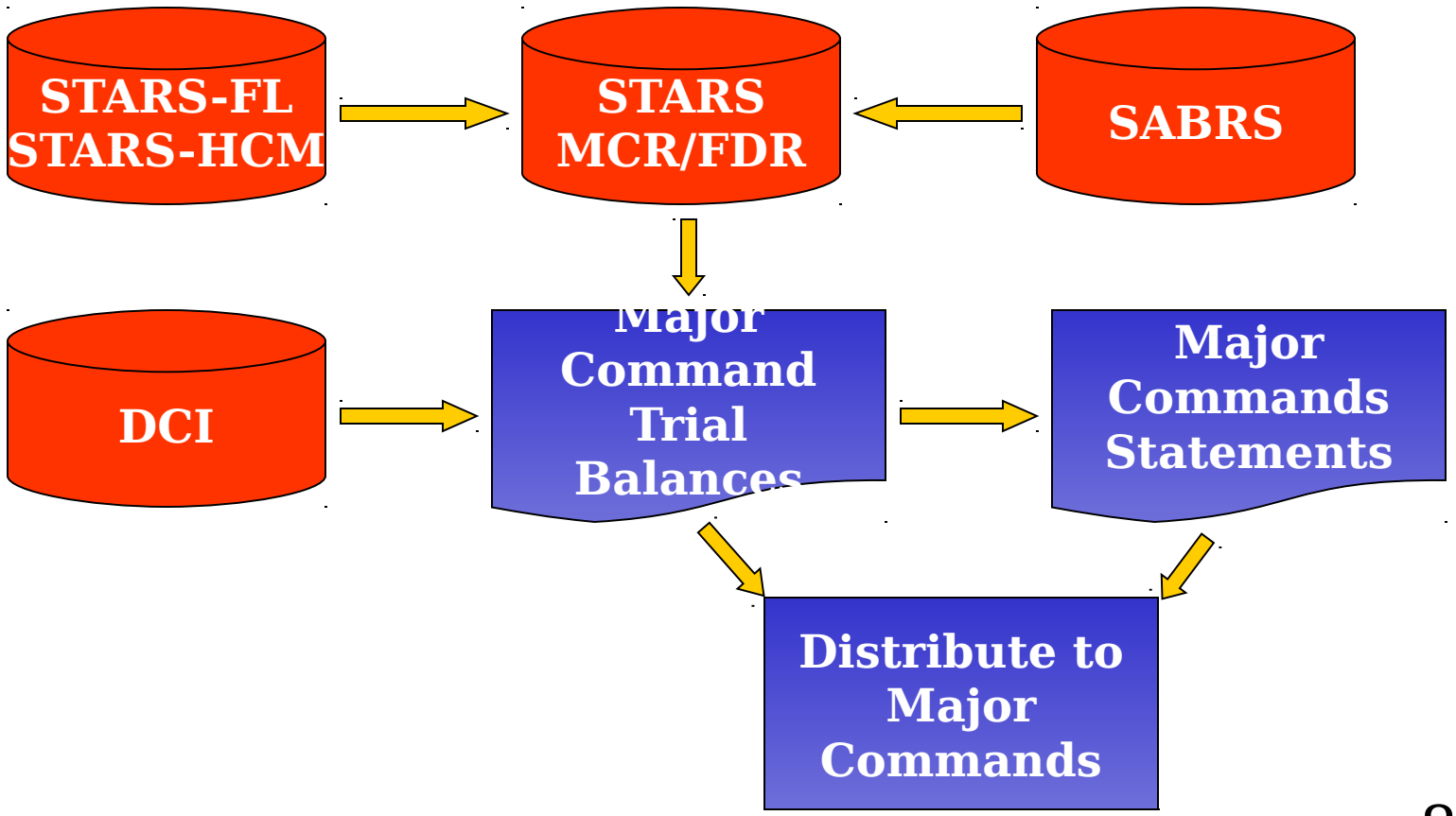
* So what do the numbers mean?
  - The numbers mean little unless we, as a Department, are able to prove that the methods and data used to produce the numbers are trustworthy.

How the Statements Were Created

* Navy Working Capital Fund
  - DDRS-B allows users to drill down on financial statement information through the activity level.
* General Fund
  - Data was taken from STARS-MCR and the DCI submissions to create the statements and trial balances.
    - STARS data feed received summarized by Organization Code and Appropriation
    - DCI data submitted by Major Commands and mapped to appropriate line item.
  - Information was compiled at the FMO to produce the Command Level Balance Sheet and Trial Balances

Major Command Trial Balances - GF

Command Level Trial Balances will allow Major Commands/Marine Corps to more closely monitor the validity of their data.



Command Statement Value

* ***The intent of Command Level Statements is to understand each Commands contribution to the financial standing of the Department.***
* Commands should familiarize themselves with the information included in their Command Level Statements (Both GF and WCF) and work to understand what contributes to their numbers.

Line Item	Component	Component Elimin.	Command A	Command B	…		DON AFS
FBWT	$ (346,024)	$ 0	$ 256,819	$ 212,906	$ 1,703,945	=	$ 1,827,646
A/R Intra	$ 439	$ (114,571)	$ 166,029	$ 143,257	$ 387, 619	=	$ 582,773
A/R Public	$ 73,900	$ 0	$ 25,502	$ 105	$ 12,268	=	$ 111,775
PP&E	$ 0	$ 0	$ 632,672	$ 108,334	$ 3,582,904	=	$ 4,323,910
A/P Intra	$	$	$	$	$	=	$